

**CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT  
(CTBID) BOARD**

***MINUTES***

**November 30, 2006**

**1:00 p.m.**

**1635 Faraday Avenue, Room 173A  
Carlsbad, CA**

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**I. CALL TO ORDER:** 1:05 p.m.

Chairperson April Shute called the meeting to order at 1:05 p.m.

**II. ROLL CALL:**

Madame Chair took roll call and all seven Directors were present. Director Vallas arrived at 1:10 p.m.

**III. APPROVE MINUTES OF THE AUGUST 31, 2006 MEETING**

Mr. Cima made a motion, seconded by Mr. Stripe, to approve the minutes of the August 31, 2006 meeting.

**IV. STAFF REPORT**

Mrs. Gerhardt stated she will provide a brief staff report at each Board meeting to update the Board members on financial activity that has transpired since the previous meeting. She reviewed the CTBID assessment revenue from February through October, 2006. The average occupancy rate was 64.3%, which is slightly ahead of the forecasted 60% occupancy. The revenue as of 11/21/06 is \$304,906, which includes July through October 2006 collections. Mr. Canepa shared there may be a shortfall in projected revenue, as the slow season is the winter months.

**V. AB #1106-12 – APPROVE EXTENSION OF CONTRACTS WITH  
CARLSBAD CONVENTION & VISITORS BUREAU (CCVB) AND SAN DIEGO  
NORTH CONVENTION & VISITORS BUREAU**

Mr. Elliott suggested that the Board members consider extending the contracts to June 30, 2007 instead of March 31, 2007.

Mr. Stripe made a motion, seconded by Mr. Cima, to approve extension of the contracts with Carlsbad Convention & Visitors Bureau (CCVB) and San Diego North Convention & Visitors Bureau (SDNCVB) to June 30, 2007.

## **VI. AB #1106-13 – DISCUSSION ITEMS**

1. Discuss follow-up with both Bureaus relative to success measurement criteria

Mrs. Gerhardt provided a report on her performance measure meetings with the following people:

Cami Mattson, CEO SDNCVB; Stephanie Colby-Aburto, Dir. of Sales, SDNCVB; Barbara Bovee, Dir. of Marketing, SDNCVB; Kurt Burkhart, Executive Director, CCVB; Rob Sapp, Regional Dir. of Marketing, Four Seasons Aviara; Jeffrey Homad, Dir. of Sales & Marketing, La Costa Resort & Spa; Tim Stripe, Board Vice-Chair; Robert Moore, GM, Hilton Garden Inn

A) Services of the San Diego North CVB include:

- Provide contracted sales which includes group sales, frequent independent travelers/vacation packages
- Assist some of the smaller hotels getting set up with Internet consolidators
- Represent the North San Diego region, with ten public contracts and 200 members

SDNCVB Current Measure = Visitor Spending:

- Measured based on contracts
- Includes hotel, food and beverage, entertainment and can be at the hotel property as well as within the region
- Calculated based on standard costs
- Reported when the contract is signed rather than when actual stay occurs
- Confidentiality and availability of data are some of the reasons they do not track and report actuals

Possible Measures:

- Actual group revenue consumed
- Cost per room night

B) Services of the Carlsbad CVB include:

- Operate the visitor center in Downtown Carlsbad
- Provide Public Relations and direct marketing of Carlsbad

CCVB Current Measures:

- Number of inquiries received through the visitor center, 800 number, e-mail, website, and business reply leads

- Value of earned media
- Currently they do not do any visitor profiling or conversion studies which they like to do if additional funding were available

Possible Measures:

- Cost per inquiry
- Trend analysis of inquiries

C) Other Considerations:

- Visitor spending outside property is probably irrelevant for CTBID
- Who gets credit for the lead?
- Quarterly reports instead of bi-annual would be more timely information
- For groups staying at many hotels, list the names of the hotels for that group
- Show new business separately from repeat business
- Airline packages should be able to tell us by zip code who stayed at our hotels, room nights, rates, and hotels which may be useful visitor profile
- Internet consolidators should show what hotels they represent
- Internet seems to be one of the most important mediums used in travel research and bookings as opposed to print media
- Value of SDNCVB and CCVB to the downtown hotels? It may be beneficial to call the downtown hotels to get their input on both contractors
- There are ways to track Internet and phone call bookings

After discussion, the Board members decided on measures for SDNCVB and CCVB work efforts. There will be a trial period to see if the measures are working for the Board. Adjustments may be made later if the proposed measures don't provide the desired information. For SDNCVB the measures are focused on the CTBID's cost per room night booked. For CCVB the measures focus on activity (numbers of contacts, referrals, inquiries, etc.) Ms. Mattson and Mr. Burkhardt shared comments and agreed to the trial period and which measures on which to focus.

2. Discuss funding for the City Visitor Information Center

Mrs. Gerhardt highlighted details of the Visitor Center Budget which is \$272,190.

Mr. Kurt Burkhardt, Executive Director of the CCVB, introduced Patrick Fearn, Chair, and Nancy Nayudu, Chair-Elect.

Mr. Burkhardt distributed a handout that provided a brief overview and discussion on the pending funding request to the City of Carlsbad to support the

Visitor Information Center. He provided a brief chronology of the CTBID, City funding and TOT collections from 1990-2006, and Industry Survey results. The funding request will be made in January 2007 to the City Council. Mr. Burkhardt requested the CTBID Board of Directors' support of the CCVB to re-engage the partnership to support all operational costs associated with the Visitor Information Center. They are requesting that the City of Carlsbad fund the Visitor Information Center.

Mr. Patrick Fearn reiterated Mr. Burkhardt's request and thanked the Board members for their time.

Mr. Canepa expressed concern that he does not want the City Council to raise the TOT fee.

3. Discuss programs, policies, and work plans and the future direction of the CTBID.

Mr. Robert Cima introduced and distributed a proposal from The Wright Group, a San Francisco-area market and research study company. They provide research and find innovative solutions to marketing strategy and branding problems through the use of qualitative research and brainstorming. They would help the CTBID identify why people choose Carlsbad as a destination, why people choose neighboring communities as destinations ("neighboring" may include cities such as Laguna Beach), with conclusions designed to help Carlsbad better compete. Mr. Cima reviewed the handout with the Board members.

Several Board members shared favorable comments about this concept. General Counsel Ronald Ball suggested that staff incorporate these ideas into a Request for Proposal (RFP) in order to solicit bids from other interested parties. Staff will report their results and findings at the next meeting.

Mr. Stripe made a motion, seconded by Mr. Cima, to approve placing this item on the next meeting agenda.

**Action:** Staff will provide the Board with alternatives for seeking an independent marketing company to conduct the study proposed today. Staff will determine if the study, as proposed, would be a sole source contract, or will require preparation and circulation of an RFP. Staff will also make appropriate recommendation to the Board.

**Action:** A possible meeting will be scheduled with Mr. Cima, Mrs. Gerhardt, Mr. Ball and Mr. Elliott to discuss the RFP in more detail.

## **VI. NEXT MEETING**

The next regular meeting will be held on Tuesday, January 9, 2007, from 1:30 to 3:30 p.m. in Faraday Room 173B.

## **PUBLIC COMMENT**

Ms. Nancy Nayudu, owner of the Pelican Cove Inn, requested the Board's support for the City Council to re-engage in its partnership role with the Carlsbad CVB and provide monies needed to cover all operational expenses for the Visitor Information Center. Additional money would also be expended to further the promotion and marketing efforts of the CCVB.

Mr. Burkhardt invited the Board members to the Christmas tree lighting ceremony on Sunday, December 3, 2006, near the Sonoma Valley Market in downtown Carlsbad.

## **ADJOURNMENT**

Chairperson April Shute adjourned the meeting at 2:45 p.m.

Respectfully submitted,

Sheryl Keller  
Recording Secretary